



House of Representatives

File No. 875

General Assembly

January Session, 2007

(Reprint of File No. 700)

Substitute House Bill No. 6776
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 24, 2007

AN ACT PRESERVING MARITIME HERITAGE LAND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) An owner of land may
2 apply for its classification as maritime heritage land, as defined in
3 section 12-107b of the general statutes, as amended by this act, on any
4 grand list of a municipality by filing a written application for such
5 classification with the assessor thereof not earlier than thirty days
6 before or later than thirty days after the assessment date, provided in a
7 year in which a revaluation of all real property in accordance with
8 section 12-62 of the general statutes becomes effective such application
9 may be filed not later than ninety days after such assessment date. The
10 assessor shall determine whether such land is maritime heritage land
11 and, if such assessor determines that it is maritime heritage land, he or
12 she shall classify and include it as such on the grand list.

13 (b) An application for classification of land as maritime heritage
14 land shall be made upon a form prescribed by the Secretary of the
15 Office of Policy and Management and shall set forth a description of

16 the land, a general description of the use to which it is being put, a
17 statement of the potential liability for tax under the provisions of
18 sections 12-504a to 12-504f, inclusive, of the general statutes, and such
19 other information as the assessor may require to aid the assessor in
20 determining whether such land qualifies for such classification.

21 (c) Failure to file an application for classification of land as maritime
22 heritage land within the time limit prescribed in subsection (a) of this
23 section and in the manner and form prescribed in subsection (b) of this
24 section shall be considered a waiver of the right to such classification
25 on such assessment list.

26 (d) Any person aggrieved by the denial of any application for the
27 classification of land as maritime heritage land shall have the same
28 rights and remedies for appeal and relief as are provided in the general
29 statutes for taxpayers claiming to be aggrieved by the doings of
30 assessors or boards of assessment appeals.

31 Sec. 2. Subsection (a) of section 12-63 of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective July*
33 *1, 2007*):

34 (a) The present true and actual value of land classified as farm land
35 pursuant to section 12-107c, as forest land pursuant to section 12-107d,
36 [or] as open space land pursuant to section 12-107e, or as maritime
37 heritage land pursuant to section 1 of this act shall be based upon its
38 current use without regard to neighborhood land use of a more
39 intensive nature, provided in no event shall the present true and actual
40 value of open space land be less than it would be if such open space
41 land comprised a part of a tract or tracts of land classified as farm land
42 pursuant to section 12-107c. The present true and actual value of all
43 other property shall be deemed by all assessors and boards of
44 assessment appeals to be the fair market value thereof and not its value
45 at a forced or auction sale.

46 Sec. 3. Section 12-107a of the general statutes is repealed and the
47 following is substituted in lieu thereof (*Effective July 1, 2007*):

48 It is hereby declared (1) that it is in the public interest to encourage
49 the preservation of farm land, forest land, [and] open space land and
50 maritime heritage land in order to maintain a readily available source
51 of food and farm products close to the metropolitan areas of the state,
52 to conserve the state's natural resources and to provide for the welfare
53 and happiness of the inhabitants of the state, (2) that it is in the public
54 interest to prevent the forced conversion of farm land, forest land,
55 [and] open space land and maritime heritage land to more intensive
56 uses as the result of economic pressures caused by the assessment
57 thereof for purposes of property taxation at values incompatible with
58 their preservation as such farm land, forest land, [and] open space land
59 and maritime heritage land, and (3) that the necessity in the public
60 interest of the enactment of the provisions of sections 12-107b to 12-
61 107e, inclusive, [and] section 12-504f [,] and section 1 of this act is a
62 matter of legislative determination.

63 Sec. 4. Section 12-107b of the general statutes is repealed and the
64 following is substituted in lieu thereof (*Effective July 1, 2007*):

65 When used in sections 12-107a to 12-107e, inclusive, and section 1 of
66 this act:

67 (1) The term "farm land" means any tract or tracts of land, including
68 woodland and wasteland, constituting a farm unit;

69 (2) The term "forest land" means any tract or tracts of land
70 aggregating twenty-five acres or more in area bearing tree growth that
71 conforms to the forest stocking, distribution and condition standards
72 established by the State Forester pursuant to subsection (a) of section
73 12-107d, and consisting of (A) one tract of land of twenty-five or more
74 contiguous acres, which acres may be in contiguous municipalities, (B)
75 two or more tracts of land aggregating twenty-five acres or more in
76 which no single component tract shall consist of less than ten acres, or
77 (C) any tract of land which is contiguous to a tract owned by the same
78 owner and has been classified as forest land pursuant to this section;

79 (3) The term "open space land" means any area of land, including

80 forest land, land designated as wetland under section 22a-30 and not
81 excluding farm land, the preservation or restriction of the use of which
82 would (A) maintain and enhance the conservation of natural or scenic
83 resources, (B) protect natural streams or water supply, (C) promote
84 conservation of soils, wetlands, beaches or tidal marshes, (D) enhance
85 the value to the public of abutting or neighboring parks, forests,
86 wildlife preserves, nature reservations or sanctuaries or other open
87 spaces, (E) enhance public recreation opportunities, (F) preserve
88 historic sites, or (G) promote orderly urban or suburban development;

89 (4) The word "municipality" means any town, consolidated town
90 and city, or consolidated town and borough;

91 (5) The term "planning commission" means a planning commission
92 created pursuant to section 8-19;

93 (6) The term "plan of conservation and development" means a plan
94 of development, including any amendment thereto, prepared or
95 adopted pursuant to section 8-23;

96 (7) The term "certified forester" means a practitioner certified as a
97 forester pursuant to section 23-65h; and

98 (8) The term "maritime heritage land" means that portion of
99 waterfront real property owned by a commercial lobster fisherman
100 licensed pursuant to title 26, when such portion of such property is
101 used by such fisherman for commercial lobstering purposes, provided
102 in the tax year of the owner ending immediately prior to any
103 assessment date with respect to which application is submitted
104 pursuant to section 1 of this act, not less than fifty per cent of the
105 adjusted gross income of such fisherman, as determined for purposes
106 of the federal income tax, is derived from commercial lobster fishing,
107 subject to proof satisfactory to the assessor in the town in which such
108 application is submitted. "Maritime heritage land" does not include
109 buildings not used exclusively by such fisherman for commercial
110 lobstering purposes.

111 Sec. 5. Section 12-120a of the general statutes is repealed and the
112 following is substituted in lieu thereof (*Effective July 1, 2007*):

113 The Secretary of the Office of Policy and Management shall,
114 annually, not later than the fifteenth day of March, submit to the
115 chairpersons and ranking members of the joint standing committee of
116 the General Assembly on finance, revenue and bonding, with copies
117 for such other committee members and staff personnel as said
118 chairpersons may designate, a report concerning certain data
119 applicable with respect to real and personal property in each town in
120 the state and such totals of data pertaining to all towns as may be
121 deemed appropriate by said secretary. The submission of such report
122 in 1997, and annually thereafter, shall include a summary of data as
123 described in each of the subsections in this section. Each such report
124 shall include categories of such data for purposes of property subject
125 to taxation and separate categories for property exempt from taxation.
126 Such report shall include state-wide trends covering a five-year period.
127 Such report shall be organized, to the extent possible, in a manner
128 consistent with the outline of information as described in each of the
129 following [subsections] subdivisions.

130 [(a)] (1) For purposes of taxable residential, apartment, commercial,
131 industrial and public utility real property, such report shall include the
132 total number of properties and the total assessed value of such
133 properties.

134 [(b)] (2) For purposes of taxable vacant land, such report shall
135 include the total number of acres and the total assessed value of such
136 acres. For purposes of taxable land subject to assessment related to
137 certain use value classifications, such report shall include the total
138 number of such acres and the total assessed value of such acres for
139 each of the following classifications related to use: (A) Farm, (B) forest,
140 [and] (C) open space, and (D) maritime heritage.

141 [(c)] (3) For purposes of taxable land bearing timber and subject to
142 tax at a rate not exceeding ten mills, such report shall include the total

143 number of acres and the assessed value of the land.

144 ~~[(d) (1)]~~ (4) (A) For purposes of taxable registered motor vehicles,
145 such report shall include the total number of motor vehicles and the
146 total assessed value of such motor vehicles for each of the following
147 classifications related to use: ~~[(A)]~~ (i) Passenger, ~~[(B)]~~ (ii) commercial,
148 ~~[(C)]~~ (iii) combination, ~~[(D)]~~ (iv) farm, and ~~[(E)]~~ (v) any other
149 classification; ~~[(2)]~~ (B) for purposes of taxable vehicles which are not
150 registered and mobile manufactured homes, such report shall include
151 the total number of such vehicles and mobile manufactured homes and
152 the total assessed value for each such category; ~~[(3)]~~ (C) for purposes of
153 all other taxable personal property, such report shall include the total
154 value of each category of such property as contained in the tax list
155 required pursuant to sections 12-42 and 12-43.

156 ~~[(e)]~~ (5) For purposes of exemptions from property tax with respect
157 to which there is no state reimbursement, such report shall include the
158 total number of such exempt properties by the exemption categories
159 and property types deemed appropriate by the secretary, and the total
160 assessed value of such exempt property.

161 ~~[(f)]~~ (6) For purposes of exemptions from property tax with respect
162 to which annual reimbursement is provided by the state, such report
163 shall include the total assessed value of such exempt property, by the
164 exemption categories and property types deemed appropriate by the
165 secretary.

166 ~~[(g)]~~ (7) For purposes of exemptions from or reductions in property
167 tax for certain individuals, with respect to which state reimbursement
168 is applicable, such report shall include (A) the total number of
169 individuals and the total amounts of each such exemption or reduction
170 in the case of such benefits not subject to income requirements, and (B)
171 in the case of such benefits subject to income requirements, such total
172 number of individuals and total amounts of exemption or reduction
173 the total assessed value of such exempt property, by the exemption
174 categories and property types deemed appropriate by the secretary.

175 [(h)] (8) For purposes of exemption from property tax for certain
176 individuals, with respect to which there is no state reimbursement,
177 such report shall include the total number of individuals and the total
178 value of each of the following exemptions: [(1)] (A) Exemptions related
179 to veterans under subdivisions (19) to (26), inclusive, of section 12-81,
180 and [(2)] (B) exemption for blind persons under subdivision (17) of
181 said section.

182 Sec. 6. Section 12-504a of the general statutes is repealed and the
183 following is substituted in lieu thereof (*Effective July 1, 2007*):

184 (a) If at any time there is a change of ownership for any property
185 that is classified as farm land pursuant to section 12-107c, forest land
186 pursuant to section 12-107d, [or] open space land pursuant to section
187 12-107e or maritime heritage land pursuant to section 1 of this act, a
188 revised application shall be filed with the assessor pursuant to said
189 sections 12-107c, 12-107d, [and] 12-107e or section 1 of this act.

190 (b) Any land which has been classified by the record owner thereof
191 as open space land pursuant to section 12-107e or as maritime heritage
192 land pursuant to section 1 of this act, if sold or transferred by him
193 within a period of ten years from the time he first caused such land to
194 be so classified, shall be subject to a conveyance tax applicable to the
195 total sales price of such land, which tax shall be in addition to the tax
196 imposed under sections 12-494 to 12-504, inclusive. Said conveyance
197 tax shall be at the following rate: (1) Ten per cent of said total sales
198 price if sold within the first year following the date of such
199 classification; (2) nine per cent if sold within the second year following
200 the date of such classification; (3) eight per cent if sold within the third
201 year following the date of such classification; (4) seven per cent if sold
202 within the fourth year following the date of such classification; (5) six
203 per cent if sold within the fifth year following the date of such
204 classification; (6) five per cent if sold within the sixth year following
205 the date of such classification; (7) four per cent if sold within the
206 seventh year following the date of such classification; (8) three per cent
207 if sold within the eighth year following the date of such classification;

208 (9) two per cent if sold within the ninth year following the date of such
209 classification; and (10) one per cent if sold within the tenth year
210 following the date of such classification. No conveyance tax shall be
211 imposed on such record owner by the provisions of sections 12-504a to
212 12-504f, inclusive, following the end of the tenth year after the date of
213 such classification by the record owner or person acquiring title to
214 such land or causing such land to be so classified.

215 (c) Any land which has been classified by the record owner thereof
216 as farm land pursuant to section 12-107c or as forest land pursuant to
217 section 12-107d, if sold or transferred by him within a period of ten
218 years from the time he acquired title to such land or from the time he
219 first caused such land to be so classified, whichever is earlier, shall be
220 subject to a conveyance tax applicable to the total sales price of such
221 land, which tax shall be in addition to the tax imposed under sections
222 12-494 to 12-504, inclusive. Said conveyance tax shall be at the
223 following rate: (1) Ten per cent of said total sales price if sold within
224 the first year of ownership by such record owner; (2) nine per cent if
225 sold within the second year of ownership by such record owner; (3)
226 eight per cent if sold within the third year of ownership by such record
227 owner; (4) seven per cent if sold within the fourth year of ownership
228 by such record owner; (5) six per cent if sold within the fifth year of
229 ownership by such record owner; (6) five per cent if sold within the
230 sixth year of ownership by such record owner; (7) four per cent if sold
231 within the seventh year of ownership by such record owner; (8) three
232 per cent if sold within the eighth year of ownership by such record
233 owner; (9) two per cent if sold within the ninth year of ownership by
234 such record owner; and (10) one per cent if sold within the tenth year
235 of ownership by such record owner. No conveyance tax shall be
236 imposed by the provisions of sections 12-504a to 12-504f, inclusive,
237 following the end of the tenth year of ownership by the record owner
238 or person acquiring title to such land or causing such land to be so
239 classified.

240 Sec. 7. Section 12-504c of the general statutes is repealed and the
241 following is substituted in lieu thereof (*Effective July 1, 2007*):

242 The provisions of section 12-504a shall not be applicable to the
243 following: (1) Transfers of land resulting from eminent domain
244 proceedings; (2) mortgage deeds; (3) deeds to or by the United States
245 of America, state of Connecticut or any political subdivision or agency
246 thereof; (4) strawman deeds and deeds which correct, modify,
247 supplement or confirm a deed previously recorded; (5) deeds between
248 husband and wife and parent and child when no consideration is
249 received, except that a subsequent nonexempt transfer by the grantee
250 in such cases shall be subject to the provisions of said section 12-504a
251 as it would be if the grantor were making such nonexempt transfer; (6)
252 tax deeds; (7) deeds of foreclosure; (8) deeds of partition; (9) deeds
253 made pursuant to a merger of a corporation; (10) deeds made by a
254 subsidiary corporation to its parent corporation for no consideration
255 other than the cancellation or surrender of the capital stock of such
256 subsidiary; (11) property transferred as a result of death when no
257 consideration is received and in such transfer the date of acquisition or
258 classification of the land for purposes of sections 12-504a to 12-504f,
259 inclusive, or section 1 of this act, whichever is earlier, shall be the date
260 of acquisition or classification by the decedent; (12) deeds to any
261 corporation, trust or other entity, of land to be held in perpetuity for
262 educational, scientific, aesthetic or other equivalent passive uses,
263 provided such corporation, trust or other entity has received a
264 determination from the Internal Revenue Service that contributions to
265 it are deductible under applicable sections of the Internal Revenue
266 Code; (13) land subject to a covenant specifically set forth in the deed
267 transferring title to such land, which covenant is enforceable by the
268 town in which such land is located, to refrain from selling, transferring
269 or developing such land in a manner inconsistent with its classification
270 as farm land pursuant to section 12-107c, forest land pursuant to
271 section 12-107d, [or] open space land pursuant to section 12-107e or
272 maritime heritage land pursuant to section 1 of this act, for a period of
273 not less than eight years from the date of transfer, if such covenant is
274 violated the conveyance tax set forth in this chapter shall be applicable
275 at the rate multiplied by the market value as determined by the
276 assessor which would have been applicable at the date the deed

277 containing the covenant was delivered and, in addition, the town or
278 any taxpayer therein may commence an action to enforce such
279 covenant; (14) land the development rights to which have been sold to
280 the state under chapter 422a; and (15) deeds to or from any limited
281 liability company when the grantors or grantees are the same
282 individuals as the principals or members of the limited liability
283 company. If action is taken under subdivision (13) of this section by a
284 taxpayer, such action shall commence prior to the ninth year following
285 the date of the deed containing such covenant and the town shall be
286 served as a necessary party.

287 Sec. 8. Section 12-504e of the general statutes is repealed and the
288 following is substituted in lieu thereof (*Effective July 1, 2007*):

289 Any land which has been classified by the owner as farm land
290 pursuant to section 12-107c, as forest land pursuant to section 12-107d,
291 [or as] open space land pursuant to section 12-107e or maritime
292 heritage land pursuant to section 1 of this act, if changed by him,
293 within a period of ten years of his acquisition of title, to use other than
294 farm land, forest [or] land, open space land or maritime heritage land,
295 shall be subject to said conveyance tax as if there had been an actual
296 conveyance by him, as provided in sections 12-504a and 12-504b, at the
297 time he makes such change in use. For the purposes of this section: (1)
298 The value of any such property shall be the fair market value thereof as
299 determined by the assessor in conjunction with the most recent
300 revaluation, and (2) the date used for purposes of determining such tax
301 shall be the date on which the use of such property is changed, or the
302 date on which the assessor becomes aware of a change in use of such
303 property, whichever occurs first.

304 Sec. 9. Section 12-504f of the general statutes is repealed and the
305 following is substituted in lieu thereof (*Effective July 1, 2007*):

306 The tax assessor shall file annually, not later than sixty days after
307 the assessment date, with the town clerk a certificate for any land
308 which has been classified as farm land pursuant to section 12-107c, as

309 forest land pursuant to section 12-107d, [or] as open space land
310 pursuant to section 12-107e or as maritime heritage land pursuant to
311 section 1 of this act, which certificate shall set forth the date of the
312 initial classification and the obligation to pay the conveyance tax
313 imposed by this chapter. Said certificate shall be recorded in the land
314 records of such town. Any such classification of land shall be deemed
315 personal to the particular owner who requests such classification and
316 shall not run with the land. The town clerk shall notify the tax assessor
317 of the filing in the land records of the sale of any such land. Upon
318 receipt of such notice the tax assessor shall inform the new owner of
319 the tax benefits of classification of such land as farm land, forest land
320 or open space land.

321 Sec. 10. Section 12-504h of the general statutes is repealed and the
322 following is substituted in lieu thereof (*Effective July 1, 2007*):

323 Any such classification of farm land pursuant to section 12-107c,
324 forest land pursuant to section 12-107d, [or] open space land pursuant
325 to section 12-107e or maritime heritage land pursuant to section 1 of
326 this act, shall be deemed personal to the particular owner who requests
327 and receives such classification and shall not run with the land. Any
328 such land which has been classified by a record owner shall remain so
329 classified without the filing of any new application subsequent to such
330 classification, notwithstanding the provisions of [said] sections 12-
331 107c, 12-107d, [and] 12-107e and section 1 of this act, until either of the
332 following shall occur: (1) The use of such land is changed to a use other
333 than that described in the application for the existing classification by
334 said record owner, or (2) such land is sold or transferred by said record
335 owner. Upon the sale or transfer of any such property, the
336 classification of such land as farm land pursuant to section 12-107c,
337 forest land pursuant to section 12-107d, [or] open space land pursuant
338 to section 12-107e or maritime heritage land pursuant to section 1 of
339 this act, shall cease as of the date of sale or transfer. In the event that a
340 change in use of any such property occurs, the provisions of section 12-
341 504e, shall apply in terms of determining the date of change and the
342 classification of such land as farm land pursuant to section 12-107c,

343 forest land pursuant to section 12-107d, [or] open space land pursuant
344 to section 12-107e or maritime heritage land pursuant to section 1 of
345 this act, shall cease as of such date.

346 Sec. 11. Section 12-638l of the general statutes is repealed and the
347 following is substituted in lieu thereof (*Effective July 1, 2007*):

348 (a) Any land which has been classified by the record owner thereof
349 as open space land pursuant to section 12-107e or as maritime heritage
350 land pursuant to section 1 of this act, shall, if a controlling interest in
351 the entity which possesses an interest in such land is sold within a
352 period of ten years from the time the owner first caused such land to
353 be so classified, be subject to a tax applicable to the present true and
354 actual value of such land, which tax shall be in addition to the tax
355 imposed under this chapter. Said tax shall be at the following rate: (1)
356 Ten per cent of said present true and actual value if sold within the
357 first year following the date of such classification; (2) nine per cent if
358 sold within the second year following the date of such classification;
359 (3) eight per cent if sold within the third year following the date of
360 such classification; (4) seven per cent if sold within the fourth year
361 following the date of such classification; (5) six per cent if sold within
362 the fifth year following the date of such classification; (6) five per cent
363 if sold within the sixth year following the date of such classification; (7)
364 four per cent if sold within the seventh year following the date of such
365 classification; (8) three per cent if sold within the eighth year following
366 the date of such classification; (9) two per cent if sold within the ninth
367 year following the date of such classification; and (10) one per cent if
368 sold within the tenth year following the date of such classification. No
369 tax shall be imposed on such record owner by the provisions of this
370 chapter following the end of the tenth year after the date of such
371 classification by such record owner.

372 (b) Any land which has been classified by the record owner thereof
373 as farm land pursuant to section 12-107c or as forest land pursuant to
374 section 12-107d shall, if a controlling interest in the entity which
375 possesses an interest in such land is sold within a period of ten years

376 from the time the owner acquired title to such land or from the time he
377 first caused such land to be so classified, whichever is earlier, be
378 subject to a tax applicable to the present true and actual value of such
379 land, which tax shall be in addition to the tax imposed under this
380 chapter. Said conveyance tax shall be at the following rate: (1) Ten per
381 cent of said present true and actual value if sold within the first year of
382 ownership by such record owner; (2) nine per cent if sold within the
383 second year of ownership by such record owner; (3) eight per cent if
384 sold within the third year of ownership by such record owner; (4)
385 seven per cent if sold within the fourth year of ownership by such
386 record owner; (5) six per cent if sold within the fifth year of ownership
387 by such record owner; (6) five per cent if sold within the sixth year of
388 ownership by such record owner; (7) four per cent if sold within the
389 seventh year of ownership by such record owner; (8) three per cent if
390 sold within the eighth year of ownership by such record owner; (9)
391 two per cent if sold within the ninth year of ownership by such record
392 owner; and (10) one per cent if sold within the tenth year of ownership
393 by such record owner. No conveyance tax shall be imposed by the
394 provisions of this chapter following the end of the tenth year of
395 ownership by such record owner.

396 Sec. 12. Section 12-638n of the general statutes is repealed and the
397 following is substituted in lieu thereof (*Effective July 1, 2007*):

398 The provisions of section 12-638l shall not be applicable to any sale
399 having any of the following underlying characteristics: [(a)] (1)
400 Transfers of land resulting from eminent domain proceedings; [(b)] (2)
401 mortgage deeds; [(c)] (3) deeds to or by the United States of America,
402 state of Connecticut or any political subdivision or agency thereof; [(d)]
403 (4) strawman deeds and deeds which correct, modify, supplement or
404 confirm a deed previously recorded; [(e)] (5) deeds between husband
405 and wife and parent and child when no consideration is received,
406 except that a subsequent nonexempt transfer by the grantee in such
407 cases shall be subject to the provisions of section 12-638l as it would be
408 if the grantor were making such nonexempt transfer; [(f)] (6) tax deeds;
409 [(g)] (7) deeds releasing any property which is a security for a debt or

410 other obligation; [(h)] (8) deeds of partition; [(i)] (9) property
411 transferred as a result of death by devise or otherwise and in such
412 transfer the date of acquisition or classification of the land for purposes
413 of this chapter, whichever is earlier, shall be the date of acquisition or
414 classification by the decedent; [(j)] (10) deeds to any corporation, trust
415 or other entity, of land to be held in perpetuity for educational,
416 scientific, aesthetic or other equivalent passive uses, provided such
417 corporation, trust or other entity has received a determination from the
418 Internal Revenue Service that contributions to it are deductible under
419 applicable sections of the Internal Revenue Code; and [(k)] (11) land
420 subject to a covenant specifically set forth in the deed transferring title
421 to such land, which covenant is enforceable by the town in which such
422 land is located, to refrain from selling or developing such land in a
423 manner inconsistent with its classification as farm land pursuant to
424 section 12-107c, forest land pursuant to section 12-107d, [or] open
425 space land pursuant to section 12-107e or maritime heritage land
426 pursuant to section 1 of this act, for a period of not less than eight years
427 from the date of transfer, if such covenant is violated the tax set forth
428 in this chapter shall be applicable at the rate which would have been
429 applicable at the date the deed containing the covenant was delivered
430 and, in addition, the town or any taxpayer therein may commence an
431 action to enforce such covenant. If such action is taken by such a
432 taxpayer, the town shall be served as a necessary party.

433 Sec. 13. Section 12-81m of the general statutes is repealed and the
434 following is substituted in lieu thereof (*Effective July 1, 2007*):

435 A municipality may, by vote of its legislative body or, in a
436 municipality where the legislative body is a town meeting, by vote of
437 the board of selectmen, and by vote of its board of finance, abate up to
438 fifty per cent of the property taxes of any of the following properties
439 provided such property is maintained as a business: (1) Dairy farm, (2)
440 fruit orchard, including a vineyard for the growing of grapes for wine,
441 (3) vegetable farm, (4) nursery farm, (5) any farm which employs
442 nontraditional farming methods, including, but not limited to,
443 hydroponic farming, [or] (6) tobacco farms, or (7) commercial

444 lobstering businesses operated on maritime heritage land, as defined
 445 in section 12-107b, as amended by this act. Such a municipality may
 446 also establish a recapture in the event of sale provided such recapture
 447 shall not exceed the original amount of taxes abated and may not go
 448 back further than ten years. For purposes of this section, the
 449 municipality may include in the abatement for such fruit orchard any
 450 building for seasonal residential use by workers in such orchard which
 451 is adjacent to the fruit orchard itself, but shall not include any
 452 residence of the person receiving such abatement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	12-63(a)
Sec. 3	<i>July 1, 2007</i>	12-107a
Sec. 4	<i>July 1, 2007</i>	12-107b
Sec. 5	<i>July 1, 2007</i>	12-120a
Sec. 6	<i>July 1, 2007</i>	12-504a
Sec. 7	<i>July 1, 2007</i>	12-504c
Sec. 8	<i>July 1, 2007</i>	12-504e
Sec. 9	<i>July 1, 2007</i>	12-504f
Sec. 10	<i>July 1, 2007</i>	12-504h
Sec. 11	<i>July 1, 2007</i>	12-638l
Sec. 12	<i>July 1, 2007</i>	12-638n
Sec. 13	<i>July 1, 2007</i>	12-81m

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Impact	See Below	See Below

Explanation

A Municipality that has maritime heritage land, as defined by the bill, will experience a loss to their net grand list (total assessed value less exemptions permitted under state law). However, the loss is expected to be minimal because only a few¹ properties per town are anticipated to qualify as maritime heritage land.

House "A" excludes from the definition of maritime heritage land buildings that are not used exclusively for commercial lobstering. This change precludes a loss to a municipality's grand list in cases where a property is owned by a commercial fisherman but not used exclusively for commercial lobstering.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ According to data supplied by the Department of Environmental Protection to the Office of Legislative Research (OLR) there only a few licensed full-time fishermen per town that would have property that might qualify as maritime heritage land. Please refer to OLR report 2007-R-0323 for additional information.

OLR Bill Analysis**sHB 6776 (as amended by House "A")******AN ACT PRESERVING MARITIME HERITAGE LAND.*****SUMMARY:**

This bill provides a property tax break for certain licensed commercial lobstermen by treating portions of waterfront property they own and use for lobstering like "490 program" land. Under the 490 program, farm, open space, and forest land is assessed at its current use value for property tax purposes.

The bill defines "maritime heritage land" as the portion of waterfront real property that a licensed commercial lobster fisherman owns and uses for commercial lobstering. It excludes buildings that are not used exclusively by the lobsterman for commercial lobstering. Such a lobsterman must have earned at least 50% of his or her adjusted gross income in the prior tax year, as determined for federal income tax purposes, from commercial lobster fishing. The lobsterman must provide satisfactory proof to the municipal assessor where the property is located.

By law, a conveyance tax is imposed on land in the 490 program when (1) its use classification changes or (2) it is sold or transferred within 10 years of its classification (with certain exceptions). The bill extends the same conveyance tax penalty, as well as other 490 program provisions, to property classified as maritime heritage land.

The bill also adds a municipal option for an additional 50% commercial property tax break for land classified as maritime heritage land.

It makes conforming and technical changes.

*House Amendment "A" excludes from the definition of maritime heritage land buildings that are not used exclusively for commercial lobstering.

EFFECTIVE DATE: July 1, 2007

MARITIME HERITAGE LAND

490 Program and Maritime Heritage Land

By law, assessors must determine the value of 490 land based solely on how it is being used (i.e., current use value) without regard to its potential resale or fair market value (i.e., the highest and best use one can make of such property). The bill adds maritime heritage land to the program and uses a classification process similar to that for farmland. Under the law, the classification processes for open space and forest land have additional requirements (see BACKGROUND).

Under the bill, an owner of a waterfront real property that qualifies must apply for classification of it as maritime heritage land.

Applying for Maritime Heritage Land Classification

Under the bill, a landowner may apply to the tax assessor for classification of his or her land as maritime heritage land on any grand list of a municipality by filing a written notice no less than 30 days before and no later than 30 days after the assessment date. But in a year in which a revaluation of all real property becomes effective, the application may be filed no later than 90 days after the assessment date.

The application must be on a form Office of Policy and Management (OPM) secretary prescribes. It must describe (1) the land, (2) its use in general terms, (3) the potential tax liability if a conveyance tax is assessed, and (4) any other information the assessor may require to help him or her determine whether the land qualifies for the maritime heritage land classification.

If the assessor determines an applicant's land is maritime heritage land, he or she must classify it as such and include it on the grand list.

The assessor must annually file a certificate with the town clerk that states the date of initial classification as maritime heritage land and the conveyance tax obligation under the program, as under current law for 490 program land.

If a landowner fails to apply for the classification within the bill's prescribed deadline or as it requires, he or she is considered to have waived the right to such classification.

As under current law for 490 land, any person aggrieved by an assessor's denial for land classification as maritime heritage land has the same rights and remedies for appeal and relief as the law provides for other taxpayers claiming to be aggrieved by the actions of assessors or boards of assessment appeals.

CONFORMING CHANGES

The bill adds maritime heritage land to the following provisions of the 490 program.

Classification, Sale Notification, and OPM Report

The law specifies that the classification of land as open space, farm, or forest land under the 490 program attaches to the owner and not the land. Under the law, the classification ends if (1) the land use is changed to something other than was described in the owner's application, (2) the land is sold, or (3) the land is transferred. In the case of a change in use, the classification terminates on the earlier of the date the use changes or the assessor becomes aware of this change.

By law, the town clerk must notify the assessor of the sale of any land in the program when the sale is filed in the land records. Upon receiving the notice, the assessor must notify the new owner of the tax benefits of participating in the program. The law requires the filing of a revised program application with the assessor whenever ownership of land in the program changes.

The OPM secretary must report to the Finance, Revenue and Bonding chairpersons on several matters concerning 490 land,

including the total number of acres and assessed value of land classified as farm, forest, and open space.

Conveyance Tax

By law, a conveyance tax is imposed on program land that changes use or is sold or transferred within 10 years of its classification. The tax is 10% if the land is sold in the first year following its classification, and decreases by 1% per year. The law also imposes the tax based on sales or transfers within 10 years if a person other than the owner caused the land to be classified as open space or farm or forest land. By law, the tax penalty is based on the property's fair market value as determined in conjunction with the most recent revaluation.

The conveyance tax does not apply in several circumstances under the law, including (1) transactions involving deeds to or from a limited liability corporation when the grantors or grantees are the same individuals as the principals or members of the corporation and (2) a land owner's death, where no consideration was received for the land. By law, the tax also does not apply if the land is subject to a covenant that runs for at least eight years, is enforceable by the municipality and precludes the land from being sold, used, or transferred for purposes inconsistent with the program. The town or any of its residents can initiate an action to enforce the covenant. The law specifies that if a taxpayer initiates the action, the action must commence before the ninth year following the date of the deed containing the covenant. By law, anyone aggrieved by the imposition of the tax can appeal to the board of assessment appeals.

BACKGROUND

490 Program

The 490 Program is the popular name for PA 63-490, the public act that created it.

Farm Land. The law requires assessors in every town to determine the value of farm land under 490 based solely on how current use value without regard to its potential fair market value. A farmer must

apply for such an assessment and the land must be farm land, as defined by law, which the assessor must determine.

Open Space Land. By law, a property qualifies for the open space classification if it is located in an area a municipality's planning commission designated as open space in its plan of conservation and development.

Forest Land. Under the law, to qualify for classification, eligible forest land must consist of (1) one tract of 25 or more contiguous acres or (2) at least two tracts totaling at least 25 acres, in which no single tract is less than 10 acres. Additionally, land contiguous to a forest land tract owned by the same person can be classified as forest land, if it meets the law's standards.

A land owner may apply for forest land classification on any municipal grand list by submitting an application and a copy of the certified forester's report to the assessor.

Related Bill

sHB 7122 provides a property tax break for certain public golf course owners by treating public golf course land like farm, open space, and forest land under the "490" program. It also extends the conveyance tax penalty, as well as other 490 program provisions, to property classified as public golf course land.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute Change of Reference

Yea 31 Nay 0 (03/21/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/17/2007)